



**Public Service  
of New Hampshire**

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The Northeast Utilities System

June 22, 2011

Kate Epsen  
NH Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301

Dear Ms. Epsen,

PSNH appreciates the opportunity to submit the following written comments related to the review of the NH Renewable Portfolio Standards, specifically, the topics considered during Work Session #3: Alternative Methods of RPS Compliance.

- 1) PSNH believes the current language in RSA 362-F provides load serving entities (LSEs) with adequate flexibility to procure renewable energy certificates (RECs) in the manner best suited to their unique circumstances. LSEs are able to procure RECs through environmental brokers, through direct negotiations with aggregators or suppliers, or via a Request for Proposal process (RFP). It is also possible to require wholesale suppliers to include the procurement of RECs in full requirement service contracts. Lastly, LSEs are permitted under RSA 362-F:9 to execute long-term contracts for RECs from renewable resources, either in conjunction with or separate from the procurement of energy and capacity from such resources.
- 2) PSNH is not in favor of mandatory RFPs, either self-administered or administered through a centralized entity. Other New England states have learned difficult lessons related to this method of procurement. RFPs and the associated standard contracts are burdensome to prepare, especially if a stakeholder process is involved. Formal RFPs must carefully outline what resources are eligible to submit offers, so as not to create any commerce clause issues. RFPs are also renowned for fielding supply offers from entities that ultimately prove to be incapable of permitting and constructing a renewable generation facility. A state regulatory committee or utility can invest multiple years in an RFP process, only to yield a paper project that never breaks ground.
- 3) PSNH supports the use of long-term contracts with renewable resources as a method of RPS compliance, provided that a mandatory RFP is not the only allowed method of procurement. In the current economic climate, long-term contracts are an absolute requirement to secure project financing. As a step toward promoting the use of long-term contracts that facilitate the growth of new renewable resources, PSNH supports the reassignment of the RPS obligation from the NH load-serving entities to NH distribution companies.
- 4) PSNH is also supportive of any legislative action that would expedite the review and approval of long-term contracts that are filed with the NH PUC.

Sincerely,

Richard C. Labrecque  
Manager  
Supplemental Energy Sources